BOARD OF COMMUNITY HEALTH
April 14, 2005

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Jeff Anderson, Chairman; Richard Holmes, Vice Chairman; Inman English, M.D.; Ann McKee Parker, Ph.D.; Kip Plowman; Mary Covington; Ross Mason and Kim Gay. Commissioner Tim Burgess was also present. Dr. Chris Stroud was absent. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Anderson called the meeting to order at 1:10 p.m. The Minutes of the March 10 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Anderson recognized outgoing member Kip Plowman for his many years of service to the Board of Community Health. Mr. Anderson also recognized and welcomed new member Mark Oshnock who will begin service in May.

Mr. Anderson asked Commissioner Burgess to make his report. Commissioner Burgess began by bringing the board up to date on the certification process for the Department's Medicaid claims system that ACS operates. Several months ago the Department started the formal certification process with the Centers for Medicare and Medicaid Services (CMS). That process culminated in a five-day site visit with CMS, DCH and ACS staff, for a full and complete review of the claims payment system. The Department will receive CMS' final findings in about 30 days. Commissioner Burgess reported that the site visit went very well. Staff worked very hard and there was good cooperation from ACS to show CMS through the system and satisfy CMS that the system met all the various requirements that they would be judging us against. On the exit conference, CMS was very complimentary of the preparation that had been done and indicated that they may not have any findings. Commissioner Burgess recognized Barbara Prosser, DCH Chief Information Officer, for her role in the successful visit with CMS. Secondly, the Commissioner reported that the Department received ten bids for the Georgia Cares RFP. He said he and the Chairman had been discussing how to structure a process where in addition to the evaluation teams, who are made up of members of our department and others, how they would involve the board. The Chairman may appoint a small committee that will be working with the department and will schedule several briefings over the next eight weeks as the Department goes through the evaluation process. Thirdly, the Commissioner outlined procurement schedules for the following programs: Pharmacy Benefit Manager (PBM), Disease Management, Enrollment Broker, and Non-Emergency Transportation (NET). The next big procurement that the Department is working on now is the procurement for the Preferred Provider Organization (PPO) Network in the State Health Benefit Plan (SHBP). DCH will be rebidding that PPO soon with a target date of having a new network in place and available for the membership by January 1, 2006.

Mr. Anderson asked Commissioner Burgess about the Department's recoupment efforts of prospective payments made to Medicaid providers. Commissioner Burgess reported that the recoupment was going well. He stated that after the last meeting the Department sent letters to that group of providers who were not billing or actually filing claims. The Department has begun to receive some payments back from those demand letters.

Mr. Anderson moved on to Committee Reports and called on Kip Plowman, Chairman of the Audit Committee, to give his report. Mr. Plowman said Carie Summers, CFO, gave a good detailed analysis of the information about the audits. He stated that the Committee received an update on the 2003

Audit, some of the management letter findings and management's response to some of those issues. The Committee received an update on the 2004 Audit. The Department is hopeful that the process will be wrapped up by June 30, 2005. DCH will move right into the FY 2005 Audit to get that done with a very tight timeframe of wrapping up the FY 05 Audit in late 2005. Mr. Plowman stated that the Committee talked about the Committee charter. Mr. Plowman sent his comments to the board chair and will defer decisions to the ongoing Committee to review and decide how they want to proceed.

Mr. Anderson called on Kathy Driggers, Chief, Managed Care and Quality, to give an update on the Care Management Committee meeting. Ms. Driggers stated that there are 10 bidders for the Georgia Cares RFP. Ten bidders bid on the six regions; eight of the ten bid on all six; one bid on five; one bid on three—a total of 56 bids. The Department is in the process of separating these bids and copying them for the evaluation team members. She gave the board an update on the process of how the Department will evaluate the bids. The Department hopes to have the process completed by the end of May in order to notify the apparent winners the first week of June, get the contracts signed and begin on July 1. Ms. Driggers listed the Georgia Cares RFP Bidders: Southcare HMO Inc. (Coventry), Omni Health Care Plan of Georgia (OmniCare), United Healthcare of Georgia, Peach State Health Plan (Centene), Select Health of Georgia Inc. (AmeriHealth Mercy), Aetna Family Plan, AMGP Georgia Managed Care Company (Amerigroup), Wellcare of Georgia, Unison Health Plan (Three Rivers) and Blue Cross Blue Shield/Wellpoint. After addressing questions from the Board, Ms. Driggers concluded her update.

Mr. Anderson called for the Legislative Update. Dr. Parker asked Laura Jones, Director of Legislative and External Affairs, to update the Board. Ms. Jones said there was a change made to Senate Bill 140, PeachCare and Medicaid Managed Care, in the House Rules Committee that would restrict the Department from implementing a formulary and prior approval on the prescription drug program in the SHBP. In Conference Committee, the author of the amendment decided that a more appropriate route would be to create a study committee to study the necessity for formularies and prior approval on our prescription drug program. Ms. Jones said this summer the Department will work with a legislative study committee that is comprised of three members of the House and three members of the Senate to flush out this issue. The bill with the amendment was passed on March 31. Ms. Jones reported that House Bill 392, the Quality Assessment Fee for CMO Participants, was passed unchanged and is awaiting the Governor's signature. House Bill 524, Administrative Changes to the SHBP, did not pass but the Department was successful in taking language from HB 524 and putting it on Senate Bill 284. There was one change from the original HB 524 and that was in the area where the Commissioner would be authorized to suspend the health coverage of employees whose employer did not remit the correct employer share. Language was changed to allow the DCH Commissioner to notify the Department of Education if certain employers were not remitting the correct employer share. The Department of Education would have authority to suspend QBE funding from the school systems that were in violation until they remitted the correct employer share. Ms. Jones said House Bill 390 is not a departmental bill but the Department tracked it closely. This bill would set up the State Commission on the Efficacy of the Certificate of Need Program. The Chairman of the Board of Community Health is a member, as well as the Chairman of the Health Strategies Council. Commissioner Burgess is an ex-officio member. The Commission is expected to begin work this summer.

Mr. Anderson asked Richard Greene to introduce Dr. Thomas Aversano of the Johns Hopkins Medical Institutions. Mr. Greene stated that Dr. Aversano is

the lead author of the C-PORT Study and an internationally renowned cardiologist. Dr. Aversano will make a presentation abut the C-PORT Study in which the Board would be considering those CON rules.

Dr. Aversano gave an overview of the background and concepts leading to this proposal of performing an elective angioplasty or non-primary angioplasty study at hospitals without onsite cardiac surgery. Dr. Aversano emphasized that this is a study; continuance of angioplasty at those hospitals participating in the study would not automatically continue but would be dependent on the overall trial results in Georgia; and the trial would provide critical information to Georgia's healthcare policy makers. Dr. Aversano listed reasons Georgia should consider participating in the C-PORT Study: improve sustainability of primary angioplasty programs, improve access to angioplasty, improve care at community hospitals by improving physician recruitment and retention and improving care on non-cardiology services, collect Georgia specific outcomes data that will help define health care policy for the citizens of Georgia, a mixture of rural and urban participants are needed, and a need for high quality research. Dr. Aversano concluded his overview, and he and Neal Childers addressed questions from the Board. (A copy of Dr. Aversano's presentation is attached hereto and made an official part of these Minutes as Attachment # 3.)

Mr. Childers continued with the next agenda item, final consideration of the Proposed Changes to Health Planning Certificate of Need Rules Chapter 111-2-2 pertaining to adult cardiac catheterization services. The Health Strategies Council as a policy recommendation initially approved this proposed modification for the Board. The Board authorized its publication for additional public comment at the February 10, 2005 board meeting. The Department conducted a public hearing on March 22. Mr. Holmes MADE THE MOTION to APPROVE the Proposed Changes to Health Planning Certificate of Need (CON) Rules. Mr. Mason SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was APPROVED with one dissenting vote from Dr. Parker. (A copy of the Proposed Changes to the Health Planning Certificate of Need Rules is attached hereto and made an official part of these Minutes as Attachment # 4.)

Mr. Anderson called for a five-minute recess.

After the recess Mr. Anderson asked Carie Summers, Chief Financial Officer, to give the budget update. Ms. Summers reviewed the FY 2006 Program Change Report and highlighted items that were changed from what the Governor recommended or were points of discussion during the budget debate. Ms. Summers concluded the update after addressing questions from the Board. (A copy of the FY 2006 Department of Community Health HB 85 Summary and Program Change Report are attached hereto and made official parts of these Minutes as Attachments # 5 and 6.)

Ms. Summers began discussion on the State Health Benefit Plan proposed premium rates, both employee and employer shares for the six-month time period in FY 06. She stated that the Department had prepared a resolution for the Board's consideration that asks for authorization to move forward with the proposed rates, flexibility in allowing the Commissioner of Community Health to determine the smokers and spousal surcharges, and authorization to increase the employer rates for both state agencies as well as local school systems up to the 14.3% authorized in the Appropriations Act. Ms. Summers said the Department would have to come back to the Board at the next meeting regarding non-certificated school service personnel in terms of the rates that local school

systems pay. Mr. Mason MADE THE MOTION to approve the Resolution. Ms. Gay SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Resolution for the State Health Benefit Plans Employee and Employer Rates for FY 2006 Interim Plan Year is attached hereto and made an official part of these Minutes as Attachment # 7.)

Mr. Anderson called on Neal Childers, General Counsel. Mr. Childers began discussion on consideration of the proposed revisions to the SHBP Rules. These were authorized by the Board for publication for public comment at the February 10 meeting. A public hearing was held but no one attended nor did the Department receive any written comment with respect to this package of rules. Dr. Parker MADE THE MOTION to approve the SHBP Rules. Ms. Covington SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. THE MOTION was UNANIMOUSLY APPROVED.

Mr. Childers began discussion on the proposed Alternative Living Services (ALS), Community Care Services Program (CCSP) public notice. It pertains to an increase in the rates for Alternative Living Services in the Community Care Services Program. Mr. Childers said the Board had not heard about this before because it is not a DCH budget item. It was in the Department of Human Resources' budget because they administer the program, but because it is eligible for matching Medicaid funds, DHR has to go through the DCH Board for public notice and comment for the formal change in rates. This change has been funded by the General Assembly in the budget. It would increase the daily rate for two specific procedure codes by $4 per day, resulting in a new daily rate of $35.04. Ms. Covington MADE THE MOTION to APPROVE the Alternative Living Services, Community Care Services Program Public Notice to be published for public comment. Ms. Gay SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Alternative Living Services, Community Care Services Program Public Notice is attached hereto and made an official part of these Minutes as Attachment # 8.)

Commissioner Burgess introduced Doug Colburn, Director of Program Integrity, to give the Board an overview of another major departmental effort that is important to the Department's function--DCH's fraud and abuse unit that is called Program Integrity (PI). Mr. Colburn said the PI unit is a requirement for federal funding. He said the primary goal of the unit is to identify and respond to fraud and abuse within the system and assist providers with education and corrective action. The majority of cases investigated by PI involve providers who have not intentionally set out to commit crime or defraud Medicaid. In those instances, issues are explained and corrective action is taken; part of the corrective action is for the provider to return the state resources they received in error. Complaints are received via a toll-free hotline, Internet and internal and external referrals. If elements of a crime are present, the investigation manager reviews the case and determines if it will be further investigated or sent to the State Healthcare Fraud Control Unit, a federally mandated program that performs the prosecution portion. Cases retained by the PI section are routed to clinical teams. The PI unit is organized into six teams; five are clinical and one is investigative. Once all the information is reviewed the findings are issued. Possible outcomes are the sentinel affect (self reporting), education, recoupment, policy update and criminal prosecution. Ongoing and future initiatives include Lock In, DRG reviews, DHR joint verification of personal care home contractors, and recipient verification. Mr. Colburn concluded his report after addressing questions from the Board.

Mr. Anderson asked the board to consider moving the May 12, 2005 Committee meetings to 9:30 a.m. and the board meeting to 12:00 noon. Ms. Gay MADE THE MOTION to change the May 12 meeting times. Mr. Mason SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. THE MOTION was UNANIMOUSLY APPROVED.

There being no further business to be brought before the Board at the meeting Mr. Anderson adjourned the meeting at 3:36 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS

THE _____ DAY OF _____, 2005.

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MR. JEFF ANDERSON
Chairman

ATTEST TO:

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CHRISTOPHER BYRON STROUD, M.D.
Secretary

Official Attachments:
#1 List of Attendees
#2 April 14 Agenda
#3 Dr. Aversano's Presentation
#4 Health Planning Certificate of Need Rules
#5 FY 2006 HB 85 Summary
#6 Program Change Report
#7 Resolution for the SHBP Employee and Employer Rates For FY 2006 Interim Plan Year
#8 Alternative Living Services Public Notice